

DISTRICT OF COLUMBIA
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

CONSOLIDATED
ANNUAL
PERFORMANCE
EVALUATION
REPORT

OCTOBER 1, 2005 - SEPTEMBER 30, 2006



FISCAL YEAR 2006

ANTHONY A. WILLIAMS, MAYOR
STANLEY JACKSON, DEPUTY MAYOR FOR PLANNING AND ECONOMIC DEVELOPMENT
GOVERNMENT OF THE DISTRICT OF COLUMBIA

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December 22, 2006



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CAPER Checklist

The following checklist identifies the required elements of the CAPER, as defined in 24 CFR 91.520.

CAPER GENERAL REQUIREMENTS	Page
<input type="checkbox"/> Impediments to fair housing and actions to overcome them	17, 19
<input type="checkbox"/> Affordable housing actions for extremely low, low/moderate income renters and owners	
• Actions taken and accomplishments to meet worst case needs	12, 21
• Actions and accomplishments to serve people with disabilities	55
• Number of Section 215 housing opportunities created	3, 7, 18
<input type="checkbox"/> Continuum of care progress to help homeless people	31
• Actions to meet supportive housing needs (include HIV/AIDS)	47, 53
• Actions to plan and/or implement continuum of care	31-38
• Actions to prevent homelessness	32, 90
<input type="checkbox"/> Actions to address emergency shelter needs	31, 33
• Actions to develop transitional housing	36, 42
<input type="checkbox"/> Actions and accomplishments to:	
• meet underserved needs	22
• foster and maintain affordable housing	6, 87-88
• eliminate barriers to affordable housing	23
• fill gaps in local institutional structure	10
• facilitate PHA participation/role	22
• reduce lead-based paint hazards	14, 43
• reduce poverty	51
• ensure compliance with program and planning requirements (include monitoring of CHDOs/subrecipient compliance)	10
<input type="checkbox"/> Leveraging of public and private funds	44
<input type="checkbox"/> Summary of citizen comments	95
<input type="checkbox"/> Analysis of successes and failures and actions taken to improve programs	62, 68
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)	
<input type="checkbox"/> Relationship of expenditures to priority needs	45-47
<input type="checkbox"/> Low/moderate income benefit	55
<input type="checkbox"/> Amendments and other changes to programs	41
<input type="checkbox"/> Completion of planned actions to:	
• pursue all resources identified in plan	42
• certify consistency for local applicants for HUD funds	43
• support Consolidated Plan goals	39
<input type="checkbox"/> National objective failures, if any	
<input type="checkbox"/> Actions taken to avoid displacement	95
<input type="checkbox"/> Compliance with URA	42
<input type="checkbox"/> If jobs were filled with over income people	
• What was done to give low/moderate income first priority?	44, 49, 51
• List job titles created/retained and those made available to low/mods	39
• Describe training for low/moderate income persons	21, 49
<input type="checkbox"/> For limited clientele activities, if any:	
• The nature of the group that allows assumption of more than 51% low/mod	6



CAPER GENERAL REQUIREMENTS	Page
<input type="checkbox"/> Rehabilitation accomplishments and costs	
• units completed for each type of program	27
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• other funds invested	3, 18, 45
• delivery costs	26, 33, 46-47
<input type="checkbox"/> Neighborhood Revitalization Strategy area, if any:	
• progress against established benchmarks	47
<input type="checkbox"/> CDBG Financial Summary Attachments:	
• Reconciliation of cash balances	
• Program income, adjustments and receivables	5, 27, 43
HOME	
<input type="checkbox"/> Distribution of HOME funds among identified needs	27
<input type="checkbox"/> HOME Match Report (HUD 40107A)	27, 99, Appendix F
<input type="checkbox"/> Contracting opportunities for M/WBEs	30
<input type="checkbox"/> Summary of results of onsite inspections of HOME rental units	28, 29
<input type="checkbox"/> Assessment of effectiveness of affirmative marketing plans	29
<input type="checkbox"/> Information about the use of program income	27
EMERGENCY SHELTER GRANTS (ESG)	
<input type="checkbox"/> Description of how activities relate to ConPlan and continuum of care	36
<input type="checkbox"/> Leveraging resources	33-34
<input type="checkbox"/> Self-evaluation	11, 32, 68-70
HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS (HOPWA)	
<input type="checkbox"/> Description of activities and successes and failures	54, 55, 58
<input type="checkbox"/> Improvements needed to overcome failures	62
<input type="checkbox"/> Description of local compliance and monitoring procedures	64
<input type="checkbox"/> Describe leveraging and coordination with other local groups	53

IDIS REPORTS

A complete CAPER requires that all data for the program year be entered into IDIS. It is Department policy that IDIS data be updated for the preparation of the CAPER. Grantees are not required to submit IDIS reports to HUD but must make information about accomplishments, progress and finances available to the public as part of the citizen participation process. Staff worked to ensure that all data in IDIS is accurate and current.



I. APPLICATION FOR THE CONSOLIDATED PLAN MANAGEMENT PROCESS

U. S. Department of Housing and Urban Development (HUD) Consolidated Plan Management Process (CPMP)

A. Submission

1. ☒ Annual Performance Report

a. Timeframe covered is from 10/01/05 to 9/30/06

b. Year of Strategic Plan period for this submission: 1 ☒ 2 ☐ 3 ☐ 4 ☐ 5 ☐

2. Catalog of Federal Domestic

Assistance Numbers	Assistance Titles	Amounts of Application Requests
14-218	Community Development Block Grant (CDBG)	\$ 21,318,203
14-239	HOME Investment Partnership Act Grant (HOME)	\$ 9,219,150
	ADDI 03 and 04 are part of HOME	
14-231	Emergency Shelter Grant (ESG)	\$ 821,555
14-241	Housing Opportunities for Persons with Aids (HOPWA)	\$ 10,535,000

B. Applicant

1. Name: **District of Columbia**

2. Identifier:

3. Employer Identification Number (EIN): **53-6001131**

4. DUNS number: **072634306**

5. Applicant is (choose one):

☒ **Local Government: City**

District of Columbia

☐ Local Government: County

☐ Consortia

☐ State

6. U.S. Senators NONE

7. Names of Members of Congress for this jurisdiction Congressional Districts
The Honorable Eleanor Holmes Norton the District of Columbia

8. Applicant/Grantee Representative:

Name: Stanley Jackson

Title: Interim Director, Department of Housing and Community Development

Telephone Number: (202) 442-7210

9. Certification

"To the best of my knowledge and belief, all data in this application are true and correct, the document has been duly authorized by the governing body of the applicant, and the applicant will comply with the attached assurances if the assistance is awarded."

Signed: _____ Stanley Jackson, Interim Director

Date signed: _____ December 22, 2006



10. Contact Person for matters involving this application:

Name: Alan R. Bray
Title: Community Planner
Telephone: (202) 442-7273; Fax Number: (202) 442-9280;
E-mail Address: Alan.Bray@dc.gov

C. For HUD Use Only

1. Is applicant delinquent on any Federal debt? ☐ yes ☐ no
2. Is application subject to review by State Executive Order 12372 process? ☐ yes ☐ no

This application was made available to the E.O. 12372 process for review (date):

- ☐ No. This program is not covered by E.O. 12372.
- ☐ N/A. This program has not been selected by the State for review.

3. Date Plan submitted: _____
4. Date Plan Review due: _____ ([45 days from HUD CPD receipt](#))
5. Date Plan Review completed: _____

6. Plan approved ☐ Yes Date: _____
or
☐ No Date: _____
- Extension granted ☐ yes ☐ no Date: _____
- Quantity of days extended: _____
- Explanation: _____
- Date Grantee signed off: _____ Date HUD signed off: _____
- Recommended actions: _____

7. Reviewing offices (check those that will be reviewing):

- | | | |
|---|----------------------------------|--------------------------------|
| <input type="checkbox"/> FOD | <input type="checkbox"/> CPD FA | <input type="checkbox"/> Other |
| <input type="checkbox"/> FHEO | <input type="checkbox"/> CPD CPS | |
| <input type="checkbox"/> SF | <input type="checkbox"/> CPD EO | |
| <input type="checkbox"/> M | <input type="checkbox"/> IG | |
| <input type="checkbox"/> CPD Relocation | <input type="checkbox"/> OGC | |

8. Check any of the following that have been included in this submission:

- ☐ SF 424 in original signed hardcopy

Certifications

- ☐ Electronic version ☐ Original signed hardcopy

Maps

- ☐ Electronic version ☐ Original signed hardcopy

Databases

- ☐ Electronic version ☐ Original signed hardcopy

- ☐ [Public comments](#)

- ☐ [Replies to public comments](#)



II. EXECUTIVE SUMMARY

Fiscal Year 2006 (FY2006) marks the first year of the District of Columbia's current Consolidated Plan. The Five Year Consolidated Plan Fiscal Year 2006 – 2010, includes specific objectives and priorities regarding Suitable Living Environment, Decent Housing and Economic Development activities to be achieved during the five-year period. These objectives and priorities, designed to assist persons of low- and moderate-income, are carried out on a yearly basis through 5 Annual Action Plans, and they include:

1. Creation and retention of affordable homeownership and rental housing through new production, preservation, and rehabilitation; comprehensive housing counseling; and eviction prevention and homeless assistance;
2. Expansion of homeownership through first-time homebuyer assistance, and assistance and counseling to convert rental properties to affordable homeownership; and
3. Support of neighborhood-based economic and community revitalization activities through business expansion and retention services.

In FY2006, the District received \$41,893,908 from the four federal entitlement grants (CDBG, HOME, ESG, and HOPWA) applied for in the FY2006 Consolidated Annual Action Plan. Of this total, the HOPWA grant of \$10,535,000 for the Statistical Metropolitan Area (SMA) went directly to, and was administered by, the HIV/AIDS Administration of the D.C. Department of Health (DOH). In addition to the annual entitlements, DHCD had \$14,834,162 in CDBG program income and \$1,472,829 in HOME program income as well as \$67,413,212 in CDBG carryover funds, \$7,457,912 in HOME carryover funds and \$930,373 in ESG carryover.

During FY2006, DHCD continued to make considerable progress in meeting the need for affordable housing (making use of local funding sources in addition to federal sources), both in home ownership and in the supply of rehabilitated and new units; and in meeting non-housing community development goals for the District of Columbia. However, during this period, rapid changes in the housing market, beyond the control of the government, have also continued to have a negative impact on the affordability of housing, even with substantial public subsidy.

The following table is a summary of DHCD's accomplishments relative to the objectives and priorities set forth in the 2006 Annual Action Plan.

Table 1: Summary of Accomplishments, FY2006

Rehabilitated multifamily and single family units funded	1488*	Tenants assisted to purchase units through Purchase Assistance	691
New multi/single family units funded	1178	Tenant counseling in properties with threatened displacement.	4,162
Home Buyer Assistance Loans	278	Businesses with technical support	1,205
Eviction Prevention Grants	220	Community/commercial facilities	4
Families supported in shelter	103	Comprehensive housing counseling	15,528

* Includes 86 Single Family Residential Rehab loans/grants



Among other accomplishments in FY2006, DHCD:

- Continued to increase funding for affordable housing production, using the locally funded Housing Production Trust Fund (HPTF) in combination with federal funding.
- Created the Site Acquisition Funding Initiative (SAFI), which is a new public-private initiative under the HPTF to finance acquisition of affordable housing sites by non-profit housing developers.
- Financed 1,940 units of housing that meet lead-safe requirements.
- Continued to improve program delivery by increasing access to DHCD funding by adding a second RFP process for acquisition and development of affordable housing within the same fiscal year and enhanced the monitoring protocols for sub-recipients.
- Completely revamped the Department's first-time homebuyer assistance programs, with levels of assistance more strongly related to household income and prevailing real estate market prices, lower requirements for homebuyer's contribution, and more favorable terms for loan repayment.
- Launched a community education outreach initiative to enhance the agency's ability to inform the community of the agency's programs and services. Conducted and co-facilitated over 70 training programs related to affordable housing and economic development.
- Held the Fifth Annual Fair Housing Symposium in April 2006. This year, the symposium discussed fair housing issues which affected neighborhoods in economic transition. DHCD not only targeted the community based organizations that provide direct services, but it targeted District residents as well. Particularly, District residents who receive housing subsidies through the voucher program were targeted to ensure this population is abreast of the laws and regulations that protect them against housing discrimination.
- Held the Third Annual Fair Housing/Sec 504/Affirmative Fair Housing Marketing Plan training for sub-recipients and staff. National experts on fair housing and Section 504 accessibility were contracted to provide compliance information and training to DHCD's grantees.



Chapter 1 INTRODUCTION

The 2006 Consolidated Annual Performance and Evaluation Report (CAPER) is a summary of the accomplishments under the District of Columbia's FY2006 Annual Action Plan. DHCD has been designated by the District of Columbia to receive and administer the entitlement funds allocated through the Consolidated Plan.

This report is submitted in accordance with regulations governing Consolidated Submissions for Community Planning and Development Programs (24 CFR 91.520) and Consolidated Annual Performance and Evaluation Reporting requirements as directed by the U.S. Department of Housing and Urban Development (HUD). The purpose is to report on DHCD's use of federal entitlement funding allocated from HUD. The federal entitlement funding sources are the Community Development Block Grant (CDBG), the HOME Investment Partnerships Program (HOME), the American Dream Downpayment Initiative (ADDI), Emergency Shelter Grant (ESG), and Housing Opportunities for Persons with AIDS Grant (HOPWA). In FY2006, these funding sources amounted to \$41,893,908.

Although the federal entitlement funding is awarded automatically according to a needs-based formula, the District still has to formally apply to HUD for the money. The application consists of a plan that describes the strategy for addressing the housing and economic needs of low to moderate income residents and its plan to affirmatively further fair housing. The DHCD submits one five-year strategic plan for the four federal entitlement funding programs; the document is referred to as the "Consolidated Plan." Each year the Consolidated Plan is updated through an Annual Action Plan that describes how that year's federal entitlement funding will be used to implement the five-year strategic plan. The 2006 Annual Action Plan was the first annual component of the Consolidated Plan, 2006-2010.

The 2006 CAPER consists of narrative statements which explain the progress made in carrying out the activities and achieving the objectives and priorities set forth in the 2006 Annual Action Plan. It also describes the methods used to comply with federal regulations. Appendices with tables and reports supply additional details about the use of federal entitlement funding for the District of Columbia. All of this information serves to document the significant amount of work contributed by DHCD and community partners in an effort to carry out the priorities of the Consolidated Plan.

1.1 Background Demographic and Housing Data

In its 68.5 square miles, the District is comprised of a diverse population. The District's population and housing trends reflect historical changes in fertility, mortality, and internal and international migration. Over the past five years (2000-2005), the District's population experienced several changes. The total population increased from 2000 to 2005. The infant population (under 5) rose in number and percent of the total population from 2000 through 2004. Only in 2005 did the infant population show a decline in both number and percent for the District. Nationally, the infant population increased in number, but declined in percent from 2000 to 2005 as well. From 2000 to 2005, the senior population (65 years and older) declined in number and percent in the District. In the year 2000, although the number continued to decline, the percent of seniors stayed the same. The racial composition of the population remained nearly the same. In 2000, the population was 30.8% white and 60% black. By 2005, the District's population showed nearly no change racially,



with 56.8% black and 32.4% white. The earliest data recorded showed that Hispanics comprised 7.9% of the District's population in 2000, and increased to 8.9% in 2005.

A. Population Size

In 1950, the District reached its peak population of 802,178. Since 1950, the District's population has declined to 582,049 in 2005, according to the Census Bureau. This represents a 27% decline over 5 decades. However, during the 1990s, the District's population increased by 10,000.

The principal cause of the District's population decline was not a net exodus of households, but rather a substantial decline in household size. In 1970, the average DC household contained 2.72 residents. In 2005, the average DC household contained 2.08 residents.

Census Bureau data also illustrate the District's changing role within the rapidly expanding Washington region. In 1950, DC had 46% of the region's population. In 2000, DC had 12% of the region's population. According to the Census Bureau, 56% of the households leaving the District during the 1990s moved to the suburbs – 25% of the households leaving moved to Prince Georges County, and another 13% moved to Montgomery County. By contrast, more than 60% of the households moving into the District during the 1990s came from outside the Washington Metropolitan region entirely.

B. Housing Trends

While the population continued to decline over the past 5 decades, the number of housing units increased. The number of housing units in 2005 was 1% higher than in 2000. In 2000, there were 274,845 housing units of which 248,338 (90%) were occupied. In 2005, there were 277,775 housing units of which 248,213 (89.4%) were occupied. Thus, while the population only rose by 10,000 residents in 5 years, there was a net increase in housing units of over 3,000. The small incline in population size coupled with an increase in the number of housing units can be partly explained by the reduction in the average household size from 2.16 persons in 2000 to 2.08 persons in 2005.

1.2 FY2006 Accomplishments

During the first year of the Five-Year Consolidated Plan period that began in FY2006, DHCD provided thousands of units of affordable housing; provided increased housing education and outreach, expanded homeownership opportunities to the District's increasing diverse populations and contributed to economic and community revitalization.

DHCD provided loans for down-payment and closing costs for 278 new first-time homeowners through its Home Purchase Assistance Program (HPAP) and federal American Dream Down Payment Initiative (ADDI). DHCD also assisted 691 tenants toward home ownership by assisting them in acquiring and converting their rental units for condominium or co-op ownership under the DC First Right to Purchase and Tenant Apartment Purchase Programs. DHCD also assisted 86 single-family owner-occupants to remain in their homes by providing loans and grants for rehabilitation, including replacement of lead water pipes.



Over the past year, DHCD increased the supply of affordable housing by 2,580 units through funds provided for multi-family rehabilitation and/or for pre-development loans for new multi-family and single-family construction projects. DHCD also provided housing counseling to 15,528 tenants, home buyers and new homeowners to increase access to housing and stable home ownership. Emergency Shelter Grant (ESG) funds provided emergency assistance to prevent 220 households from becoming homeless and to provide shelter for 103 families in a family shelter.

DHCD's affordable housing construction projects spur neighborhood revitalization and local economic development. As part of its neighborhood investments over the past year, DHCD funded technical assistance for 1,205 small neighborhood businesses to assist in their retention and expansion, and completed construction on façade improvement projects for 18 small businesses. DHCD also provided housing counseling to 15,528 tenants, home buyers and new homeowners to increase access to housing and stable home ownership.

Table 2 shows the District's progress from FY 2001 through 2006 in addressing the priorities set by the community.

Table 2: Accomplishments 2001-2006

PRIORITIES	DHCD PROGRAM ACTIVITY	FY 2001-2005	FY2006	TOTAL
Home Ownership	Provide Home Purchase Assistance (HPAP) loans for down payment and closing costs.	1,549	278	1,827
	Assist tenants in first-right purchase of apartments.	1,581	691	2,272
	Expand access to housing through comprehensive counseling for tenants/ownership; and assistance with program requirements and intake.	81,098	15,528	96,626
	Assist current single-family homeowners to remain in decent homes by providing rehabilitation loans	212	86	298
Affordable Housing	Provide funding to rehabilitate multi-family units for rental or owner occupants	6,751	1,402	8,153
	Provide construction assistance for new construction of single or multi-family, rental or owner occupied housing units.	3,908	1,178	5,086
Community Development & Economic Opportunity	Provide neighborhood-based job training and placement	382	NA	382
	Support local business development with technical assistance	5,469	1,205	6,674
	Support revitalization-community/commercial facilities	70	4	74
Homelessness	Prevent homelessness and provide emergency assistance	2,071	220	2,291
	Provide essential support services (persons served)	>15,000	NA	>15,000
	Maintain homeless shelters (Renovate Beds)	2,082	NA	2,082
	Support shelter for families (# families)	337	103	440

1.3 Factors Affecting FY2006 Goals:

A number of economic factors are impacting the ability of low-to-moderate income residents to afford housing in the District. DHCD has to expend more funds and provide greater subsidies to produce the same number or fewer affordable housing units. Even with increased loan amounts, it is



extremely difficult to assist the targeted number of families to become homeowners due to the lack of properties available to families of moderate means.

Major external factors include:

- The increased cost of housing in the DC market has decreased availability of property affordable to low-to-moderate income residents.
- The mismatch between cost of housing in the District and the earning potential of many residents; and
- A gap between skill and education levels of some residents for a job market requiring increasingly skilled and professionally-trained workers (based on Census data).

A. Housing Market

According to US Census data, the median price of homes in the District increased nearly 100% from \$157,000 in 2000 to \$384,000 in 2005. Meanwhile, the median income in the District did not rise nearly as rapidly with a figure of \$40,127 in 2000 compared to \$47,221 in 2005. Sharp increases in home prices in Washington, D.C. and the surrounding suburban communities in Maryland and Virginia have created obstacles to providing low-to-moderate income households with homeownership opportunities and with rehabilitated and new affordable housing.

The maximum mortgage for which a household can qualify is generally determined by multiplying household income by 2.5. Applying that rule of thumb means a household earning the 2005 median income would be eligible for a mortgage of no more than \$118,052. Homes at that price were then--and continue to be--scarce commodities. Similarly, rents rose significantly during the period of 2000 and 2005. According to the US Census data, they increased from a median of \$618 in 2000 to a median of \$832 in 2005. Such rising prices means many households are spending higher percentages of their income on housing and, for the neediest populations in the District, it means the City has to provide deeper subsidies, especially for homeownership; ensure tenants are knowledgeable regarding their rights; help existing homeowners maintain their homes through rehabilitation assistance; and help homeowners and tenants avoid homelessness.

B. Employment and Education

Combined with the shortage in the supply of affordable housing, many DC residents are also faced with a significant gap between their earning capacity and the cost of housing.

The 2000 Census pointed out a disparity between the education and attendant earning levels of a significant percentage of DC residents and the kinds of jobs being created in the city and region. (Almost 43% had either not completed high school, or had not advanced further than a high school education.) Limited opportunities for entry level and service positions exist, but the salaries in these positions will not make home ownership possible and will even make some rental units out of reach. A Census income distribution shows that 45% of all District households had incomes of less than \$35,000. This income is less than was needed to rent a two-bedroom unit in 2006.



1.4 Managing the Process

In FY 2006, DHCD administered a number of programs that directly support its priorities of adding and preserving affordable housing; increasing homeownership; and supporting neighborhood revitalization through commercial and community facilities, providing neighborhood-based services, and increasing economic opportunity. DHCD continued to utilize its competitive funding process to target specific projects to meet these priorities, issuing Requests for Proposals (RFP) for development projects and a Request for Applications (RFA) for service-oriented grants. Additionally, DHCD worked with partner organizations—including private, non-profit or semi-governmental development and financing entities—to provide housing and economic opportunities for low-to-moderate income residents.

For FY 2006, based on community consultation, experiences within the marketplace, U.S. Census and other data, DHCD established objectives to meet its affordable housing and community revitalization priority needs. These objectives are recorded in the Agency's Action Plan, Performance-Based Budget (PBB), and Department Performance Measures.

1.5 Citizen Participation

To insure general citizen participation in the District of Columbia's 2006 CAPER process, DHCD followed its adopted Citizen Participation Plan. Information on public hearings was developed and delivered to neighborhood associations, social services agencies, local non-profits, churches, civic service clubs, advisory councils, District staff, City Council, and interested citizens. Notice of the hearings was published in the D.C. Register and local newspapers on or about November 10, 2006. (See Appendix D) The CAPER was made available for a 15-day review and comment period in accordance with HUD guidelines and the Citizen Participation Plan.

The purpose of the public hearings was to provide citizens with an update on the implementation of the current CDBG, HOME, HOPWA and ESG activities, input into FY 2008 Action Plan, and offer the CAPER for public review.

DHCD took the following actions to make the Notice of Public Review available and to invite public comment on the CAPER for FY2006:

1. Direct Mailings to:

Office of the Mayor, City Administrator and Deputy Mayor for Planning and Economic Development; the Council of the District of Columbia; Advisory Neighborhood Commissioners (ANC); ANC Chair offices; Community Development Corporations and Community-Based organizations; Special Needs Housing Organizations; Non-profit Housing Groups; Latino, Asian and Pacific Islander Community Organizations and groups; and private citizens.

2. E-Mail Distribution to:

DHCD's housing partners, community leaders and neighborhood-based list-serves.

3. Website Access:

The draft CAPER was posted on DHCD's website for review.



4. Media:

Notice of 15-day Public Review was provided to diverse media outlets:

- D.C. Register
- The Washington Post
- The Afro-American
- El Tiempo Latino

At the end of the public review period, DHCD had received 17 public comments on the CAPER. A summary of these comments can be found in Appendix E.

1.6 Institutional Structure

Another way to remain competitive in the District's "hot market" is to maximize the leverage of public investment by working with other agencies and/or stakeholders. The District of Columbia government's institutional structure facilitates internal coordination and cooperation.

In the District of Columbia, executive functions are organized under the Mayor, City Administrator and four Deputy Mayors who supervise "clusters of agencies." This Deputy Mayor structure facilitates consultation across responsibility areas, and maximizes leveraging of public investments.

DHCD reports to the Deputy Mayor for Planning and Economic Development along with the following agencies: the D.C. Public Housing Authority (DCHA), DC Housing Finance Agency (DCHFA), Department of Consumer and Regulatory Affairs (DCRA), the Department of Employment Services (DOES) and the Office of Planning (OP).

During FY2006, DHCD participated in meetings on a weekly basis with other agencies under the Deputy Mayor for Planning and Economic Development Cluster. At these "Cluster" meetings, agencies keep each other apprized of on-going and planned activities, develop partnerships for shared activities, and strategize for long-range, shared solutions to city problems. It is through this mechanism, and through monthly Cabinet meetings of all "Clusters," that DHCD carries out regular consultation on Consolidated Planning initiatives that require input or activity from other agencies.

DHCD works closely with DCHA and DCHFA to maximize dollars available for housing opportunities for all income levels from extremely low to moderate income.

1.7 Monitoring

During FY2006, DHCD continued to improve its sub-recipient monitoring program and procedures. DHCD developed its annual sub-recipient monitoring plan, and conducted monitoring reviews of DHCD programs and sub recipients, including the Neighborhood Based Activities (NBA) sub-recipients; and the RLA Revitalization Corporation. The Office of Program Monitoring (OPM) issued monitoring reports that included specific findings and recommendations to be addressed.

OPM continued to use its tracking database to monitor DHCD and sub-recipient corrective action for reports issued by OPM and by external agencies such as HUD, the D.C. Office of the Inspector General, and respective A-133 auditors. Several findings/recommendations were closed due to OPM's tracking and follow-up.



OPM regularly monitors the Integrated Disbursement Information System (IDIS) for CDBG, HOME, HOPWA and ESG commitment and spending requirements. OPM issues monthly spending reports for the above programs.

With regard to oversight of Community Housing Development Organizations (CHDOs), during FY2006, DHCD has recertified two CHDOs and certified one new CHDO, (United Planning Organization) in accordance with the CHDO definition stated in 24 CFR 92.2. The Department also requires that all CHDOs certify their compliance with that definition prior to issuing CHDO funds to them. To maximize the use of CHDO funds, the Office of Program Monitoring monitors the CHDO reservation requirement (in IDIS) on an ongoing basis, and DHCD both advertises technical assistance opportunities to the CHDOs and solicits CHDO participation from nonprofit organizations.

1.8 Self Evaluation

The District responds to questions, concerning the self evaluation of the District's overall performance in implementing the Five Year Consolidated Plan, and in particular, its performance during FY2006 in the following manner:

1. Describe the effect programs have in solving neighborhood and community problems.

The programs identified in the District's Consolidated Plan preserve, rehabilitate, and promote the development of affordable housing; increase homeownership; and support community and commercial initiatives that benefit the District's low-to-moderate income residents. The outcomes and results are monitored every year to show progress being made in the various categories and in servicing the priority needs of low-to-moderate income residents. See section 1.2 for key program accomplishments in solving neighborhood and community problems.

During FY2006, the programs were utilized to help shape project selection through the CDBG Competitive Application selection process which consisted of two RFPs for development and acquisition projects. This RFP process served to broaden CDBG supported activities for more diverse communities and purposes. Only those activities that helped DHCD achieve the adopted measurable objectives were considered for funding.

2. Describe progress in meeting priority needs and specific objectives and help make community's vision of the future a reality.

Over the past few years, DHCD has made a tremendous amount of progress in meeting the priorities set forth in the Consolidated Plan. DHCH worked tirelessly to increase the supply of affordable housing; expand homeownership opportunities; and contribute to economic and community revitalization. DHCD increased the number of RFPs to two each year in order make all our funding sources more available during the course of the year and to solicit project proposals earlier in a fiscal program year in order to be able to execute contracts and funds projects earlier in the program year.



In FY2006, DHCD increased the supply of affordable housing by 2,580 units through funds provided for multi-family rehabilitation and/or for pre-development loans for new multi-family and single-family construction projects. ESG funds provided emergency assistance to prevent 220 households from becoming homeless and to provide shelter for 103 families in a family shelter. DHCD also provided housing counseling to 15,528 tenants, home buyers and new homeowners to increase access to housing and stable homeownership.

DHCD's affordable housing construction projects spurred neighborhood revitalization and local economic development. As part of its neighborhood investments over the past year, DHCD funded technical assistance for 1,205 small neighborhood businesses to assist in their retention and expansion, and completed construction on façade improvement projects for 18 small businesses.

3. Describe how you provided decent housing and a suitable living environment and expanded economic opportunity principally for low and moderate-income persons.

The Department has collaborated/partnered with non-profit and for-profit developers to preserve existing and offer new affordable housing opportunities to those residents unable to meet the current cost demands of the District's escalating real estate market. The Department offers programs that help first-time homebuyers purchase homes and assist current homeowners with home repairs. In addition, the District provides funding for housing counseling services to assist residents in moving towards home ownership and self-sufficiency. The District also funds commercial and economic development initiatives that help revitalize our communities and provide employment opportunities to the unemployed and underemployed residents. The Department makes special needs housing and retention of Section 8 rental properties a specific funding priority in our RFPs.

4. Are any activities or types of activities falling behind schedule?

Most services and activities are conducted within the planned time frame of one to two years. All CDBG, HOME, HOPWA and ESG funded activities are managed and completed well within established schedules except for the activities that have been delayed due to changed circumstances and service areas and populations. For example the construction implementation of a HOME project, Safe Haven Anacostia Housing Initiative, that has been delayed for several years by the need for special exception zoning approvals and the time required to lock in the financial commitments from the non-governmental private funding sources. The project has now competitively selected a general contractor and is ready to start construction in the beginning of 2007.

5. Describe how activities and strategies made an impact on identified needs.

The District, through its neighborhood-based activity programs, strategically invests funds through housing development and community-based non-profit organizations to support the enhancement of economic opportunities, affordable housing preservation and development for the benefit of the District's low-to-moderate income residents. The District funds an array of activities that are tailored to meet/satisfy the needs of each service community only limited by the capacity of the non-profit organization that serves that particular community. Over the past few years, the variety of activities funded from year to year has changed to meet the changing priorities and the availability of funds.



The Department has very successfully implemented a land acquisition program for non-profit organizations, using local District funds, that has permitted non-profits to acquire property in the District in a timely, affordable manner in order to be better able to serve their and the Department's affordable housing mission. The strategic neighborhood focus of our RFPs has permitted the Department to focus and concentrate affordable housing and community facilities in strategic neighborhoods to create better revitalization synergies in those neighborhoods.

6. Identify indicators that would best describe the results?

During FY2006, the District effectively utilized a comprehensive set of performance measures for each program and activity that are identified in the Consolidated Plan. Several of DHCD's measurements include activities and services that are linked directly to the Consolidated Plan. Examples of such records kept to indicate the number of low-to-moderate households assisted in becoming first-time homeowners and the number of low-to-moderate households assisted with rehabilitation services. Also, the number of affordable housing units funded is a critical measure of the type and location of housing units that are helping to revitalize our neighborhoods and provide badly needed affordable rental and ownership housing to low and moderate-income households.

Less tangible results would have to include the frequency and level of interaction and cooperation, which occurs between the public agencies and private entities coordinating their efforts to improve housing and community undertakings, benefiting a larger number of low-to-moderate income residents.

7. Identify barriers that had a negative impact on fulfilling the strategies and the overall vision?

The number one barrier that prevents the District from fulfilling its vision for District households is the short supply of funds. With annual funding at \$41 million, more or less, the majority of the District's affordable housing and neighborhood economic and community revitalization needs will continue to go unmet with serious challenges facing the District.

Another significant barrier is the escalating cost of housing in the District of Columbia. The average price of a new townhouse in the District is \$384,400. The increased costs for single family homes are even more dramatic with an average sale price of \$495,500.

8. Identify whether major goals are on target and discuss reasons for those that are not on target.

As discussed in the responses to the first two issues, the District maintains goals and targets for the priority needs of the communities it serves. Progress continues to meet newly established goals: creation new affordable housing, preservation of existing affordable housing, expansion of homeownership opportunities and meeting the needs of the homeless and those at-risk of becoming homeless. The District's annual allocation of CDBG and HOME grants has been supplemented by funding from competitive federal and state grants. Efforts to house special needs populations such as the elderly, disabled, mentally ill, etc., are bearing fruit, and indeed, more is being done each year.



9. Identify any adjustments or improvements to strategies and activities that might meet our needs more effectively?

There are currently no apparent goals or strategies that need to be adjusted. The funded activities for FY2006 had to meet a measurable objective instead of simply being a high or medium priority. The Department is regularly assessing the effectiveness of its RFP and RFA processes and materials to find ways to make them more effective and accessible and to increase the response to the solicitations.

1.9 Lead-based Paint Hazards

DHCD competed for and was awarded two HUD lead-safety grants in FY2003. The grants, which were received at the end of FY2003, were: 1) the Lead Hazard Control Program Grant award of \$2,997,743; and the Lead Hazard Reduction Demonstration Grant award of \$2,000,000. The District match for the grants is \$2,681,580. The District's Program is called the Lead Safe Washington (LSW) Program. DHCD works in partnership with the District's Department of Health (DOH), Department of Consumer and Regulatory Affairs (DCRA), Department of the Environment (DOE), and the community to address lead-safe requirements.

Since the program's inception, LSW has spent approximately \$1.8 million and has funded lead work in 50 units of housing eligible under the narrow restrictions of the grant agreements with HUD. Applications for an additional 110 units are under active processing, meaning that, at a minimum, those units are to be scheduled for lead risk assessments to determine the extent of lead-based paint hazards. More than 250 additional units are expected to be referred to the Department's Lead Safe Washington Program for consideration within the first half of FY 2007.

It should be noted that the grant agreements under HUD's Lead Hazard Control and Lead Hazard Reduction Programs have very narrow restrictions on units for which lead hazard remediation activities may be counted toward grant accomplishments, and the figures above reflect those narrow restrictions. As a result, those figures do not reflect the full extent to which the Department has promoted remediation of lead-based paint hazards, nor the extent to which the Department's financing of affordable housing has secured lead-safe housing units.

DHCD has made progress in implementing the Lead Safe Housing Rule by incorporating the Rule into its housing rehabilitation programs. For single-family rehabilitation, DHCD conducts a lead-based paint (LBP) inspection risk assessment as part of each field investigation it undertakes for single family properties to be assisted through its Single-Family Residential Rehabilitation Program (SFRRP), and the homeowners are provided grant funding to pay for the LBP hazard abatement. In its multi-family housing rehabilitation program, the Development Finance Division has financed approximately 1,400 units of housing in FY2006, the majority of which must comply with the Lead Safe Housing Rule. Unfortunately, the restrictions on HUD's Lead Hazard Control and Lead Hazard Reduction Grant Programs do not allow the vast majority of those units to be included in the accomplishment count toward those grants.



A. Outreach and Education:

Over the past year, DHCD has actively engaged public agencies and private entities in its efforts to address lead-based paint hazards. The following actions are outreach efforts over the past year.

- Blood screening tests were provided to children attending Centro Nia Daycare Center. For those children with elevated EBL's outreach specialists contacted the parents and/or property owners to inform them of the grant opportunities available through DHCD for lead based paint hazards.
- DHCD partnered with Every Child by Two, a non-profit organization dedicated to immunization of children by the age of two in a District wide mailing targeted at school age children to remind parents to have their child immunized prior to the start of school. Partnering with Every Child by Two allowed DHCD's Lead Safe Washington team to include program information on Lead Safe Washington giving DHCD the availability to proactively perform outreach to this population.
- DHCD's Lead Safe Washington team participated in several fairs where attendees were able to access Lead Safe Washington program information. Additionally, DHCD displayed posters of chipping and peeling paint at each event to alert families of what these conditions represent visually. The fairs included DHCD's Sidewalk Fair, Chartered Health Plan DC's Largest Baby Shower, and Checkup Day at Greater Southeast Hospital.
- In October of 2005, DHCD partnered with the Department of Health and a number of non-government organizations to convene a kick-off to Lead Awareness Week called the "D.C. Lead Safe Fair: Healthy Homes-Healthy Children". The Fair offered information on lead-related health screenings, government programs and services, and businesses or organizations that provide products or services to populations most affected by the effects of LBP. A similar event took place on October 28, 2006.
- DHCD reached out to two property management firms due to the large number of rental units under their control. Each company was briefed on the Lead Safe Washington program and is working with Lead Safe Washington staff to address potential lead based paint hazards in their properties.

In addition, DHCD continues to meet with contractors, community groups, and other interested stakeholders to ensure dissemination of lead-safe information through an extensive Outreach and Education Campaign funded under the Grants.



Chapter 2 HOUSING

The challenges in FY2006 continue to be the increasing cost of housing, competition for a shrinking pool of affordable units, the impact of housing costs on the most vulnerable populations, the need for a well-educated and well-paid workforce to match living costs, regional employment trends, lack of access to transportation to regional employment opportunities, and the threat of displacement due to rising rents and/or the expiration of federally subsidized housing. DHCD has based its projections on information provided in the U.S. Census data; 2003-2004 studies by Fannie Mae; information from DC Government agencies; the 2005 Analysis of Impediments to Fair Housing Choice in the District of Columbia; as well as 2005 studies by the D.C. Fiscal Policy Institute and other organizations. These studies show:

- The shortage of affordable housing units for low-to-moderate income households and special needs populations is exacerbated by the influx of higher-income households into previously lower-income neighborhoods such as Columbia Heights (Ward 1) and Shaw (Ward 2).
- A concurrent increase over the past decade in both median income and poverty, indicating a widening gulf in household incomes among District residents.
- A prevalence of cost burdening and an increase in crowding within the District's rental stock, pointing to the shortage of affordable and/or family-sized units.
- Impediments to fair housing choice continue to obstruct equal housing opportunity for District residents.

DHCD administers a number of programs that directly support its mandate to affirmatively further fair housing and its goals for adding affordable housing, for homeownership, for commercial and community facilities; for providing neighborhood-based services; and for increasing economic opportunity. DHCD continues to utilize its competitive funding process to target specific projects to meet these goals, issuing RFP for development and acquisition projects and RFA for service-oriented grants. Additionally, DHCD works with partner organizations—including private, non-profit or semi-governmental development and financing entities—to provide housing and economic opportunities for low-to-moderate income residents.

For each fiscal year, based on community consultation, experiences within the marketplace, U.S. Census and other data, DHCD establishes objectives to meet the City's priority needs. These objectives are recorded in the Department's Action Plan, Performance-Based Budget (PBB), and Department Performance Measures. Table 3 presents a summary of DHCD's specific housing objectives for FY2006 within the categories specified by HUD and consistent with the City's priorities.

2.1 Specific Housing Objectives

During FY2006, DHCD assisted 278 first-time homeowners with loans from the Home Purchase Assistance Program (HPAP), and assisted another 691 tenants in the conversion of their rental units to ownership as condominiums or co-ops. DHCD also exceeded its goal to provide housing counseling to 3,000 households, by providing assistance to 15,528 persons. This goal was revised



during the year to reflect the actual level of activity and demand for services. The new goal is 7,992 which will remain in FY 2007, given appropriate funding and vendors.

DHCD increased the supply of affordable housing by funding rehabilitation of multi-family and single-family units or pre-construction of new units for a total of 2,666 units. Among the affordable units supported were 1,488 rehabilitated multi-family or single-family units and 1,178 new construction multi-family or single-family units. Of the units funded in FY2006, 1,054 were affordable to extremely low-income residents; 366 units were affordable to very low-income residents, 244 units were affordable to low-income residents, and 122 units were affordable to low-to-moderate income residents.

Table 3: Summary of Specific Housing Objectives for FY2006

Specific Objectives	Sources of Funds	Performance Indicators	Expected Number	Actual Number	Outcome/Objective*
Rental Housing					
Preserve and increase affordable housing supply for low-moderate income, extremely low and very low-income residents.	CDBG, HOME, HPTF	<ul style="list-style-type: none"> No. of affordable units No. of Section 504 accessible units No. of years of affordability Units in compliance with Lead Safe Housing Rule 	1,800	1,402	DH-2 DH-1
Support tenants through tenant organizations with first right to purchase assistance to convert rental units to ownership units.	CDBG	<ul style="list-style-type: none"> No. of tenants receiving counseling for unit purchase 	1,700	9,657	DH-2
Provide counseling to tenants in assisted housing with expiring subsidies, to prevent involuntary displacement	CDBG	<ul style="list-style-type: none"> No. of tenants receiving counseling 	3,000	4,162	DH-1
Owner Housing					
Increase homeownership opportunities for low-moderate income residents	CDBG, HOME, local	<ul style="list-style-type: none"> No. of first-time homebuyers No. receiving down-payment assistance/ closing costs 	240	278	DH-2
Increase homeownership opportunities for very low- and low-income residents who are HOME-income eligible through the ADDI program	HOME/ ADDI	<ul style="list-style-type: none"> No. of first-time homebuyers No. receiving down-payment assistance/ closing costs 	25	59	DH-2
Preserve existing home-ownership through assistance with rehabilitation to code standards.	CDBG, HOME, local	<ul style="list-style-type: none"> No. of owner-occupied units rehabilitated or improved 	60	86	DH-2
Increase supply of new single and multi-family ownership housing units	HOME, HPTF	<ul style="list-style-type: none"> No. of affordable units No. of Section 504 accessible units No. of years of affordability 	200	1,178	DH-2
Assist conversion of rental units to condominium /co-op ownership units.	CDBG, HPTF	<ul style="list-style-type: none"> No. of units No. of affordable units No. of years of affordability 	150	691	DH-2
Promote home ownership through the reclamation of abandoned properties.	CDBG	<ul style="list-style-type: none"> No. of units No. of affordable units No. of years of affordability 	7,992	15,528	DH-2



2.2 Affirmatively Furthering Fair Housing (AFFH)

DHCD conducts an Analysis of Impediments to Fair Housing Choice (AI) on a five-year interval as mandated by HUD, which provided recommendations for the City to combat impediments to fair housing choice in rules, regulations, business practices, laws, policies, legislation, and other factors created by the private sector or government. It also conducts one-year updates as necessary to ensure it has addressed the impediments found in the AI. In 2005, DHCD conducted its most recent AI. In FY2006, the Department contracted with the Urban Institute (UI) to provide further guidance on the implementation of fair housing recommendations provided under the “2005 Analysis of Impediments to Fair Housing Choice.” to address the findings and recommendations, without losing program activities it has already designed to ensure equal housing opportunity.

Among the findings the AI described, the persistence of non-compliance with fair housing laws by real estate market participants continue to be a problem. In addition, households’ lack of information on affordable housing opportunities across a broad range of neighborhoods that provide a desired quality of life, low level of home buying literacy by certain pockets of protected classes, and high portions of households with no credit history or a blemished credit history make it impossible for targeted protected classes to have equal access. Finally, the real estate market’s unprecedented increase caused a substantial decrease in an already low availability of housing for low and moderate-income households and special needs populations.

The Department has taken several measures to combat some of these impediments. DHCD has an aggressive Fair Housing and Equal Opportunity division that incorporated an annual education and training program for sub-recipients and the general public. It has also instituted a certification process for all of the Department’s grantees to ensure all federal and local regulations are in compliance, particularly in ensuring its program and projects are affirmatively marketed and accessible to all affected populations. It partners, whenever possible, with non-profit and private sector housing advocates and practitioners to provide greater coverage of housing and fair housing issues. In FY2006, as has been the incremental process in the past five years, DHCD ensured that its sub-recipients were in compliance with federal and local regulations for affirmative marketing, particularly those least likely to know about the programs and services due to geographic location, demographics, or language barriers.

In terms of Affirmative Marketing, DHCD has established measures to guarantee compliance with affirmative marketing guidelines, including providing prospective funding recipients and all other affected stakeholders, i.e. developers, non-profits, the general public and tenants, with information on such fair housing requirements. The grantees are informed of their responsibility to make good faith efforts to provide information and otherwise attract eligible persons from racial, ethnic, familial composition, and gender groups in the District to occupy the available housing units which otherwise would not be aware of such program or project. Following are some actions mandated to assure affirmative marketing:

- All housing related programs and projects must display the “Equal Housing Opportunity” logo/slogan or statement in any advertising or solicitation for tenants or participants.
- Management companies of multifamily funded projects must display the fair housing posters wherever applications are accepted.



- Inform and solicit applications for vacant units for persons in the housing market who are least likely to apply for housing unless special outreach is completed.
- Inform targeted community agencies of the availability of units in order to reach the ethnic/racially/linguistically isolated community.
- Accept referrals from the D.C. Housing Authority that match the affirmative marketing requisites.
- Obtain information about apartment buildings occupied by community organizations and churches whose members are non-minority and are located in the various neighborhoods in which the program operates.

DHCD also continues to ensure that all its public documents have the District's Non-Discrimination clause as mandated by the Mayor's Executive Order 11246 and the implementing regulations at 41 CFR Chapter 60. This clause provides that:

The District of Columbia does not discriminate on the basis of actual or perceived: race, color, religion, national origin, sex, age, marital status, personal appearance, sexual orientation, gender identity or expression, familial status, family responsibilities, matriculation, political affiliation, genetic information, disability, source of income, or place of residence or business. Sexual harassment is a form of sex discrimination which is prohibited by the Act. In addition, harassment based on any of the above protected categories is prohibited by the Act. Discrimination in violation of the Act will not be tolerated. Violators will be subject to disciplinary action.

Partnerships are another means to affirmatively further fair housing. The Department has consistently increased its partnerships with community and local organizations, thus enlarging its sphere of influence in ensuring equal housing opportunity. Through the bi-annual RFPs and RFAs, DHCD has an opportunity to educate the prospective grantee about its responsibilities of fair housing and equal accessibility. In early 2006, DHCD completed its Fair Housing Initiatives Program (FHIP) grant with HUD which allowed it to partner with a local CBO to provide counseling not only to first-time homebuyers, but to industry professionals to provide fair housing education and outreach and encourage filings by victims of illegal housing discrimination. DHCD further provides outreach on the laws and regulations of the Fair Housing Act, Section 504 of the Rehabilitation Act of 1973, and other civil rights and equal rights laws and legislations through CBO partnerships. These partners, with DHCD monitoring, ensure that all available information on housing options is communicated to diverse groups and that language or cultural barriers are not used as pretext to prevent access to these housing options. DHCD also conducted its Fifth Annual Fair Housing Symposium where experts in the housing field were invited to speak to the general public. In addition, DHCD provides technical assistance on accessibility compliance issues according to Section 504

The AI findings showed that the real estate profession still continues to violate fair housing regulations creating substantial choice impediments for racial and ethnic minorities in their search for fair housing in the rental, sales, mortgage, or insurance processes. These obstacles have been further exacerbated by the housing market's rising cost in housing which conflicts directly with the



income constraints of some minorities and other protected classes, thus impeding a family's increase of collective wealth through the purchase of a home. Though some barriers are a result of blatant discrimination disguised as unavailable housing, other barriers arise from perceived stereotypes related to the person's or family's race (ethnic identity), color, national origin, religion, sex, disability and familial status or because of the person's source of income, marital status, sexual identity as recognized under the local District Human Rights Act.

Another factor impacting fair housing choice is the increasing incidents of predatory tactics to relieve home seekers of their life savings. In the District as well as in the Metropolitan region, minorities, and others, have been the victim of unscrupulous real estate and mortgage broker tactics who prey on immigrants with limited English proficient skills and on the elderly with substantial equity on their homes to persuade or coerce them into a predatory loan, thus causing the detriment to that family's wealth. These loans are usually the work of refinancing schemes or home improvement scams. The limited supply of affordable housing in the District aggravates the situation for low-income families. These families are more susceptible to real estate and mortgage scams that promise to get them into a home with limited income. One way in which DHCD combats possible discrimination against District residents is to collaborate with its private sector and non-profit partners to provide education and outreach workshops and fairs to discourage barriers and discriminatory actions. DHCD held and participated in various events which aimed at combating barriers to fair housing during FY2006. These are as follows:

- The Fifth Annual Fair Housing Symposium in April 2006 was a result of a partnership with its sister agencies, the DC Housing Finance Agency and the DC Housing Authority. This symposium, unlike previous years, targeted the consumer, particularly those with current subsidy housing assistance. This year's theme title "Fair Housing: Know Your Rights....In Case They Don't" dealt with practical issues that consumers face when they embark on the homeownership path.
- Completed the HUD Fair Housing Initiatives (FHIP-Education and Outreach Initiative) grant—Homeownership Component which resulted in the production of over twenty industry and first-time homeowner training sessions. It also produced the "Your Fair Housing Right to Homeownership" brochure to educate prospective homebuyers on the process of homebuying and on the fair housing "red flags" they should be aware of at each step of this process. This brochure has been translated into the Limited English Proficient languages which the DHCD targets, i.e. Spanish, Chinese, Vietnamese, and Amharic. Low income residents which face barriers to fair housing choice are helped to overcome poor credit history problems, to improve personal financial management practices, and to prepare for homeownership as well as become keenly aware of discriminatory practices by the housing and lending industry.
- The Fair Housing Program Manager participated in a Howard University Law School Fair Housing Clinic panel presentation to discuss fair housing issues in the Latino and immigrant communities, as well as, provided the Howard University Fair Housing Clinic with fair housing brochures for their fair housing workshops and seminars.



- Continued to provide CBOs with the “Know Your Fair Housing Rights” and “Your Fair Housing Rights to Homeownership” brochures when requested. And, DHCD ensures that this material is available at its community-sponsored functions.
- Through the Department’s Neighborhood Service Coordinators, Core Team representatives, DHCD ensures that its fair housing material is further distributed in the District’s designated ‘Hot Spots’ where housing needs may be more acute.
- DHCD continues to assess and enforce its Section 504 accessibility compliance requirements through its partnership with the University Legal Services-Protection Advocacy Division to ensure that current and prior multifamily projects are in compliance with the mandatory Sec. 504 accessibility rules and regulations.
- This year, DHCD held its third annual mandatory two-day fair housing sub-recipient and staff training to ensure that current funded program recipients are well aware of their fair housing and equal opportunity responsibilities and are compliant with all the federal and local funding requirements and increase accessibility for residents. The key components of this training focused on fair housing and accessibility guidelines, equal opportunity rules and regulations, and Section 504 and the Uniform Federal Accessibility Standards (UFAS).

DHCD, through its Language Access Coordinator, continues to ensure its programs are in compliance with the D.C. Language Access Act of 2004. The Act mandates equal accessibility to DC government programs by the Limited English Proficiency (LEP) population. This year, DHCD complied with one of its key factors -to provide diversity training to its staff- and will continue to implement the remaining factors as required by law.

2.3 Public Housing Strategy

DHCD has partnered with the DC Housing Authority (DCHA) in redevelopment of the Frederick Douglass/Stanton Dwellings (Henson Ridge), the New East Capitol public housing communities and the Arthur Capper/Carrollsbury Dwellings and the Eastgate Public Housing sites through the HOPE VI Program.

The HOPE VI Program redevelopment plan for Frederick Douglass/Stanton Dwellings, renamed Henson Ridge, calls for a new, 600-unit community with all new infrastructure (streets, sidewalks and alleys), a new community center, new parks and open spaces, as well as significant investment in neighborhood schools. The development includes 320 homeownership units targeted to households with a range of incomes. The 280 rental units will serve a mix of public housing and moderate-income families. The housing mix also includes 42 senior bungalows, 28 stacked-flat apartments and 530 townhouses. To date, DHCD has committed \$8 million for infrastructure improvements, \$5 million in CDBG funds (disbursed) and \$3 million in capital funds (disbursement in progress). DHCD, at DCHA’s request, capped the expenditure of capital funds at \$1 million and re-programmed the unexpended \$2 million to fund infrastructure construction at the Arthur Capper/Carrollsbury HOPE VI project. DCHA determined in FY 2004 that, because of unanticipated cost overruns on the Henson Ridge project, they were going to need the \$2 million that was reprogrammed to the Arthur Capper HOPEVI project. These additional funds were requested by DHCD on DCHA’s behalf in the FY2006 capital project funding call and were



authorized for expenditure starting in FY2006. Expenditures of these additional funds began in FY2006.

The New East Capitol HOPE VI project, renamed Capitol Gateway Estates (formerly East Capitol Dwellings and Capitol View Plaza along with a HUD-foreclosed property) originally was to include 555 units of newly constructed mixed-income units. One hundred ninety-six units were to be public housing, 214 affordable and market rate rental units and 145 homeownership units, utilizing both lease-to-purchase and Section 8 home ownership rules thus ensuring home ownership for a number of current residents.

However, DCHA recently acquired Capitol View Plaza II from the Federal Housing Administration and has developed a new redevelopment plan for Capitol Gateway Estates that received final approval from HUD. The new redevelopment plan, with a total 761 units includes 152 units of senior housing, 221 tax credit housing units, 177 market rate units, and 211 units of public housing replacement. DHCD has committed \$10 million in funding for this project for infrastructure improvements; \$3 million in CDBG funds (disbursed), and \$7 million in capital funds (disbursement was completed in FY2006). DHCD also committed \$789,666 in Low-Income Housing Tax Credits in FY2003 to assist the construction of 151 new senior housing apartment units in the Senior Building.

In FY2005, DHCD requested capital funding for the following additional DCHA public housing projects on DCHA's behalf as part of the FY2006 capital project funding call:

1. Arthur Capper HOPE VI—\$4,075,000 (in 2006 and 2007) for construction of site infrastructure associated with further phases of the multi-phase construction (disbursement for construction began in FY2006);
2. Eastgate HOPE VI—\$5,000,000 (in 2006 and 2007) for construction of site infrastructure associated with the project (disbursement for construction began in FY2006);
3. Langston Terrace Public Housing—\$2,000,000 (in 2008, 2009 and 2013) for rehabilitation to selectively replace infrastructure and restore the exterior integrity of this historic landmark property;
4. Lincoln Heights Public Housing—\$4,000,000 (in 2007, 2009, 2010 and 2013) for partial demolition of existing public housing and construction of new site infrastructure associated with new replacement townhouses;
5. Potomac Hopkins Plaza Public Housing—\$4,500,000 (in 2008, 2009 and 2013) for redevelopment of the existing public housing development and one-for-one replacement of all the existing units in a new on-and off-site development; and
6. Parkside Public Housing—\$3,000,000 (in 2008 and 2009) for site infrastructure associated with the one-for-one replacement of public housing units with townhouse units.

DHCD received funding authorization for all of the above funding requests during FY2005 and expenditures began in FY2006 for the FY2006 authorizations as indicated above.

2.4 Barriers to Affordable Housing

The District has been taking steps to ameliorate the impacts of the current housing market, but is faced with the fact that existing resources will buy less in this competitive atmosphere.



Two of the most important steps taken by the District government include: a) adding a dedicated source of local funding for housing production through its Housing Production Trust Fund (HPTF); and b) improving programs and processes to make project funding easier and faster.

The District also uses other methods to remove possible barriers to affordable housing such as: targeting investment by type of project and geographically in its funding processes; using inter-agency coordination and public-private partnerships to leverage public funding; and increasing outreach and marketing of programs and funding opportunities.

A. Dedicated Local Funding

In FY2006, the HPTF budget was \$116,586,473. The “Fund” is a local source of money for affordable housing development. DHCD combines all its eligible funding sources, federal and local, in its competitive funding process to maximize its support for affordable housing and community development projects. The HPTF is aimed at assisting the most vulnerable District residents. The Housing Act of 2002 requires that 80% of funds benefit households earning up to 50% of Area Median Income (AMI), and that 50% of funds disbursed each year must be used for the development of rental housing.

B. Program and Process Improvements

Programs

1. Home Purchase Assistance — In FY2006, DHCD recommended to the Mayor and Council substantial regulatory program changes to the Department’s Home Purchase Assistance Program (HPAP), with the primary intent to serve more income-qualified home buying clients. The regulation changes approved by the Council completely revamped the Department’s first-time homebuyer assistance programs, with: levels of assistance more strongly related to household income and prevailing real estate market prices; lower requirements for the homebuyer’s contribution of cash toward the home purchase; and more favorable terms for loan repayment.

The changes to the HPAP program were implemented on July 1, 2006. The changes made an immediate positive impact on the Department’s homebuyer assistance programs. Of the 278 first-time homebuyers provided DHCD assistance in FY2006, 115 (41%) were assisted in the final quarter of the year, following the program enhancements. This was a dramatic increase in the Department’s success toward facilitating homeownership, which had been on the decrease for the prior three years as a result of rapidly escalating home sale prices in the District. The settlement of 278 homebuyer loans also marked the first time in three years that DHCD exceeded its target of 240 first-time homebuyers assisted per year.

2. Single Family Home Rehabilitation – DHCD’s initiative to replace lead water pipes has continued successfully in 2006. DHCD provides qualified resident home owners with grants to replace lead-based water service lines on private property in conjunction with the Water and Sewer Authority’s (WASA) funding of water line replacement on public property. In 2006, 40 homeowners took advantage of this initiative.



Processes

1. Site Acquisition Fund Initiative (SAFI) — This initiative uses a portion of the HPTF as a source of funds committed exclusively for loans for non-profit housing developers to acquire sites to develop as affordable housing. SAFI is a public-private partnership, using HPTF funds matched by the participating lending institutions in a leveraged, revolving loan fund. Public funds are loaned at zero interest, which buys down the private funds to below-market rates. The private lenders manage and promote the fund. DHCD pre-qualifies the non-profit developers who may apply for SAFI loans. The initial 2005 funding for SAFI was at least, \$30 million; \$15 million from the HPTF and \$15 million from the private lenders. Experience with SAFI in the short run indicates that it is a successful initiative and that private funds are outmatching public funds for the non-profit developers. DHCD added \$5,000,000 to SAFI in FY2006 that was matched (at a minimum) by \$5,000,000 from the private lenders.

2. Increased Funding Opportunities — During FY2006, DHCD added a second RFP to its annual competitive funding process for affordable multi-family housing development and acquisition proposals. The DHCD Streamlined Funding Process that was started in 2003, begins with a Notice of Funding Availability (NOFA) and provides clear, predictable application processes (RFP and RFA) for development proposals and for community services. The streamlining and the additional round of funding have combined to make it easier and faster for developers and neighborhood-based organizations to access funds for affordable housing and community-serving projects. As need dictates, and resources permit, DHCD will increase access with additional targeted RFPs.

3. Anti-Displacement Policy — It is DHCD's policy to minimize displacement in all of its projects. Each program officer in the Development Finance Division keeps track of any relocation required for a project. Project managers review developers' plans and revise those plans as necessary to minimize displacement. Where relocation is required, the project managers ensure, as part of the underwriting process, that the relocation plans are adequate and are funded as part of the project development costs. A number of DFD project managers have received training in the Uniform Relocation Act (URA). Development Finance also has convened a team to oversee project compliance, including URA compliance, and to update the Division's operating protocols to ensure that all specialized monitoring disciplines are being addressed.

In FY2006, five projects funded by CDBG and HPTF had tenants on site and required the submission and approval of temporary relocation plans. These projects were: Hunter Pines Apartments, Galen Terrace Apartments, Park Southern Apartments, Southview Apartments, and Fairmont I & II Apartments. The developers of these projects are temporarily relocating tenants to other vacant units on their project sites to the extent possible in order to avoid relocation to off-project sites.

Any required relocation generated by DHCD's Single Family Rehabilitation and/or LSW projects is incorporated into each project work plan, and associated costs are factored into the budget.

Some of the steps taken by the District government include: a) adding a dedicated source of local funding for housing production through its HPTF; b) improving programs and processes to make project funding easier and faster; c) targeting investment by type of project and geographically in its



funding processes; d) using inter-agency coordination and public-private partnerships to leverage public funding; and e) increasing outreach and marketing of programs and funding opportunities.

2.5 CDBG – Funded Projects

DHCD's proposed and actual awards for CDBG-funded housing projects are shown in Table 4. The full list of CDBG-funded development projects is also shown in the list of all Development Finance projects funded in FY2006 from all sources in Appendix A.

Table 4: CDBG Proposed and Actual Project Awards, FY2006

Proposed Project	Proposed Amount	Actual '06 Amount
Arthur Capper Senior II Apartments	\$2,800,000	\$2,467,820
1724 Minnesota Avenue SE	\$86,062	\$63,981
Hunter Pines Apartments	\$2,250,000	\$1,800,000
Galen Terrace Apartments	\$3,252,000	\$3,252,000
Southview Apartments	\$2,850,000	\$5,800,000
Victory Heights – Additional Funding	\$500,000	\$500,000
Mayfair Mansions	\$14,500,000	\$25,000,000
Golden Rule Apartments	\$1,000,000	\$950,000
Madeline Gardens	\$730,000	\$730,000
New Columbia Scattered Sites	\$213,714	\$213,714

Tenant First Right to Purchase Program and Tenant Apartment Purchase Assistance Program:

First Right Purchase Assistance Program: The escalating value of property in DC has affected all housing programs geared toward low-to-moderate income persons. DHCD met the Tenant First Right program goal of assisting 150 tenant households to convert their units to condominiums or CO-OPs. DHCD assisted 691 households into home ownership.

The FY2006 goal of the Tenant Technical Purchase Assistance Program was to provide technical assistance to 1,700 households in tenant organizations to begin the process of apartment conversion to ownership. The goal was exceeded by providing this assistance to 9,657 households. Services provided included: counseling on first right to purchase as well as technical assistance, seed loans, "earnest money" deposit loans, and acquisition loans to tenant organizations so that they could begin the process of converting their rental units to ownership. Following conversion, the program also offers management assistance.

Tenant organizations are also eligible for DHCD rehabilitation assistance for converted properties under the Development Finance Project Financing Program.

2.6 HOME / American Dream Downpayment Initiative (ADDI)

DHCD executed contracts in FY2006 for two residential real estate projects funded by HOME. Those projects are Victory Heights, a 75-unit new senior affordable rental building, for which \$3,750,000 was obligated in FY 2005 and an additional \$500,000 was obligated in FY2006; and



Amber Overlook, a 100 unit new (60 units) and rehab (40 units) project creating affordable ownership units, for which \$6,837,000 was obligated.

The projects cited above utilized HOME program funds for new construction assistance and housing rehabilitation activities, to support both homeownership and rental housing development. All HOME-funded units (Table 5) meet the Section 215 requirement for affordability.

Table 5: HOME Fund Investments, FY2006

Investment	Project Type	Units	HOME Funds
Amber Overlook	Multi-Family Rehab	100	\$6,837,000
Victory Heights – Additional Funding	Multi-Family Rehab	0	500,000
Homebuyer Assistance (including ADDI)	Single Family Home Purchase	59	1,176,786
Homeowner Rehabilitation	Single Family Rehab.	10	585,318
TOTAL		169	\$9,099,104

A. Program Income

HOME program income of \$1,472,829 was recycled through thru the Multi-Family Rehab Program of the Development Finance Division for FY2006.

B. HOME Match Requirement

Under 24 CFR 92.218 et. seq., the District must provide a matching contribution of local funds to HOME-funded or other affordable housing projects as a condition of using HOME monies. The District's FY2006 contribution was 25 percent of its non-administrative HOME draws. The IDIS PR 33 report shows that the matching fund contribution required for FY2006 is \$959,012, based on a "Disbursements Requiring Match" figure of \$7.67 million. DHCD provided this match through Housing Production Trust Fund-financed investments in housing that met the HOME definition of affordable housing. (See HOME Match Report, Appendix F.)

C. HOME Monitoring

In FY2006, the Department continued to implement its long-term monitoring for HOME-funded units based on the HOME Monitoring Guide developed for DHCD with HUD's technical assistance. DHCD accomplished the following in implementing its HOME Monitoring Program:

1. Record Keeping: Database and Files

- Staff identified HOME rental and ownership projects and designed a database to capture pertinent HOME information for each type of project (homeownership or rental). The Development Finance Division's (DFD) HOME Projects database currently lists a total of approximately 1,557 HOME funded units.
- Staff established an order for monitoring files and created a file for each HOME project included in DFD's HOME Project database.



2. Process: Initiating Long-Term Monitoring of HOME Projects

Staff established a methodology for long-term monitoring processes and activities for all completed HOME projects. Attention continues to be focused on HOME projects throughout the “affordability period” currently underway in order to ensure that all developers are aware of and understand the HOME monitoring requirements and implement the appropriate processes in their leasing and project management activities

Staff has also created HOME Compliance Agreements which inform developers of how to prepare the unit files for compliance monitoring purposes and commits them to compile and maintain the requisite documentation and information necessary for DHCD’s short- and long-term monitoring activities.

Also, because of the differing short- and long-term monitoring requirements for rental and ownership projects, Staff is currently researching the question of whether or not HOME-assisted condominium projects should be monitored as HOME rental or HOME ownership units. Pursuant to 25 CFR 92.2, Staff is working with the Office of Program Monitoring (OPM) and the Office of the Attorney General (OAG) to determine whether or not cooperative ownership in DC constitutes a homeownership interest. This research is necessary due to inconsistencies between the District’s recordation of condominium buildings as single lots and the application of the DC landlord-tenant laws by the courts concerning legal issues that arise with regard to condominiums.

3. Field Work

Conducted Field and Unit Inspections of All Completed Rental Units

Staff has conducted field inspections of all completed HOME rental projects in its database and has completed unit inspections of a majority of those units. Staff has conducted physical inspections for 20% of HOME-funded units and reviewed the household tenant files for compliance with HOME rules and regulations.

4. Outreach, Education and Compliance

- Informed Property Owners and Managers of HOME Responsibilities
- Staff maintains contact with property owners and managers and HOME developers of ownership units to ensure their compliance with the HOME monitoring requirements and to provide technical assistance in the preparation of the HOME Occupancy and Rent Reporting Form and Certification document or the HOME Occupancy/Ownership Reporting Form and Certification and suggested financial reporting forms.
- Staff developed payoff and subordination policies to regulate HOME-assisted homeowners’ refinancing and selling activities.
- Staff continues to conduct site visits with property managers of each completed HOME rental project.

5. Compliance and Monitoring

a. Performing Review of Tenant Files



- Staff has begun the review of tenant files for HOME rental projects currently in the database.
- b. Reviewing Rent Reporting and Certification Documents, Conducting Tenant File Reviews and Setting Annual Reporting Dates.
- Staff is currently receiving clients' draft HOME rental projects' Rent Reporting and Certification documents, reviewing them and providing site/property managers with comments which are to be incorporated into a final Rent Reporting and Certification document for final review and approval. Staff completed reviews of 2003 projects in 2004, and is now proceeding with monitoring projects completed in 2005.
- c. Reviewing Occupancy/Ownership Reporting and Certification Documents and Assembling Copies of the Deeds of Trust Containing the HOME Covenants and Conditions for Each Ownership Unit.
- Staff continues to receive lists of ownership units from developers, to obtain the relevant Deeds, Declaration of Covenants and/or Eligibility Covenant for each unit and to develop a record retention system for these documents

6. Affirmative Marketing Actions

DHCD continues to ensure that affirmative marketing actions of all HOME funded housing activities are applied in accordance with 24 CFR 92.351. In particular, grant agreements where the HOME program applies, DHCD has delineated procedures and practices which must be adhered to in carrying out the HOME affirmative marketing requirements. In addition, DHCD provides technical assistance to grantees through its community based organization (CBOs) partners and collaborations with other government agencies, employment centers, and fair housing groups.

DHCD, through its funded CBOs gather critical information on the frequency and type of housing information sought or sent to District residents who seek this type of information by attending community organization events. Data of direct and indirect outreach efforts assist DHCD monitor and assess the type of assistance sought by tenants. As mandated in Section 92.351, DHCD will gather and maintain the proper tenant racial, ethnic and gender characteristics required when providing funds for rehabilitation, as well as relocation data for displaced households.

Every Affirmative Marketing Plan whether for a program or a multifamily project (one building or scattered site) is reviewed and approved for accuracy, completeness and effort to affirmatively outreach, to the prescribed groups as determined by HUD requirements and local policy.

7. Compliance

In implementation of the affirmative marketing requirements, the District complies with the laws and authorities referenced in 24 CFR 92.350 to assure nondiscrimination and equal opportunity in the use of its HOME funds.

Further, the District complies with the requirements of the Fair Housing Act, 42 U.S.C. 3601-20, and implementing regulations at 24 CFR 100, Executive Order 11063, as amended by Executive Order 12259 (Equal Opportunity in Housing) and implementing regulations at 24 CFR 107; Title VI



of the Civil Rights Acts of 1964, 42 U.S.C. 200d and implementing regulations at 24 CFR 1; the prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975; 42 U.S.C. 6101-07 and implementing regulations at 24 CFR 146; and the prohibition against discrimination on the basis of handicap under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8; which provide that no person in the United States shall on the grounds of race, color, national origin, age or handicap be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity for which the applicant received Federal financial assistance and will take the measures necessary to effectuate this assurance. This assurance shall obligate the property owner, or in the case of any transfer of such property, and transferee, for the period during which the real property or structure is used for the purpose for which the HOME grant funds were expended.

8. Affirmative Action

The District ensures that property owners certify that contractors and subcontractors will take affirmative action to ensure fair treatment in employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training and apprenticeship; and to the greatest extent possible, will assure that opportunities for training, employment and contracts in connection with HOME assisted projects be given to lower-income residents and businesses in the project area.

The District affirmatively furthers fair housing in its HOME Program in accordance with the certification made with its Consolidated Plan pursuant to the actions described at 24 CFR 91.225.

9. Minority Participation in the HOME Program

The application materials for HOME Program funding (and all DFD funding) include Affirmative Action Plan requirements. The Affirmative Action Plan requirements establish goals for Local Small, Disadvantaged Business Enterprise participation in construction jobs provided and for the contractors and subcontractors hired for projects.



Chapter 3 HOMELESSNESS

The District's current homeless and homeless special needs' housing efforts are coordinated and managed by the Community Partnership for the Prevention of Homelessness (the Partnership). In FY2002, DHCD transferred administration of the ESG grant to the Office of the Deputy Mayor for Children, Youth, Families and Elders (ODMCYFE). In FY2005, DHCD resumed the oversight and administration of ESG funds starting with the HUD grant year 2004 funds.

The Partnership serves as the lead agency for the District's Continuum of Care program under a FY2005 contract from the Department of Human Services (DHS) – renewable for up to four option years based upon achievement of the contract's performance objectives and the decision of the City. The contract funds the Partnership to address the needs of the District's homeless population, including other special need subpopulations of the homeless (e.g., the frail elderly, chronically mentally ill, drug and alcohol abusers, and persons with AIDS/HIV).

The Partnership, with the approval of DHCD determines annually which services will be funded with the ESG Grant to address the most pressing emergency and prevention needs. In FY2006 the ESG funds paid for prevention and shelter operations. Table 7 describes the uses of ESG funds in FY2006.

3.1 Homeless Needs

The ESG program supports the District's homeless Continuum of Care program and the related objectives of the Consolidated Plan that provide for homeless and special needs subpopulations. In FY2006 ESG funds continued to support prevention efforts and facilities operating at the entry point of the Continuum of Care, in order to maintain and improve those facilities even while the District works to build the permanent affordable and supportive housing that will end homelessness over time.

Improvements to the Continuum have been ongoing. The Mayor's 10-year Plan to end homelessness includes strenuous new efforts designed to make the Continuum and its facilities stronger along the entire Continuum from emergency shelters to permanent supportive housing.

The District's 10-year Plan to End Homelessness rests on three centerpiece policies:

1. Increase homeless prevention efforts within local and federal government,
2. Develop and/or subsidize at least 6,000 units of affordable, supportive permanent housing to meet the needs of D.C.'s homeless and other very low-income persons at risk of homelessness, and
3. Provide wraparound mainstream supportive services fully coordinated with Continuum of Care programs and special needs housing.

In short, the goals focus on 1) keeping as many people as possible from becoming homeless in the first place through direct prevention efforts and increasing the supply of affordable housing; and 2) enriching the homeless Continuum at all levels with supportive services that rapidly re-house persons with and without special needs. This refocuses the City's efforts over time from a "shelter first" to a "housing first" model that ends homelessness.



Within this general context ESG funds continue to be used to support policy goal #1 to prevent homelessness and to maintain and improve the entry level of the Continuum of Care. Over the ten years of the Mayor's plan, the City plans to replace current emergency shelters with easy-access, rapid-exit "Housing Assistance Centers" founded upon a new social contract. Those who can help themselves will take personal responsibility for their self-sufficiency and be helped to achieve this through on-site, mainstream case management, clinical, and employment services. ESG funds have been helpful in supporting both the operations and services of Housing Assistance Centers.

3.2 Specific Homeless Prevention Elements

Prevention funds for the DC Emergency Assistance Fund are awarded through a Memorandum of Agreement that established a mutually beneficial partnership wherein ESG funds are supporting a citywide homeless prevention effort managed by the Foundation for the National Capital Region, which receives other prevention funds from the Fannie Mae Walkathon that occurs each November. The 2006 Action Plan goal for prevention grants was substantially met. One hundred and Fifty Seven (157) prevention grants were made to families in comparison with the goal of 112 families and while 62 individuals were served in comparison of the goal of 78. Two-hundred and twenty (220) cases were served in total which far exceeds the goal of 190 cases.

3.3 Emergency Shelter Grants (ESG)

DHCD exceeded its FY2006 Action Plan goal under the ESG to provide shelter for 55 families. Shelter was provided for 103 families by supporting operations of a 45-family shelter at 1448 Park Road NE. The goal of assisting 190 individuals/families with emergency eviction prevention was also exceeded as 157 families and 63 individuals were provided with prevention assistance for a total of 220 cases.

Table 6: Summary of Specific Homeless Objectives for FY2006

Specific Objectives	Sources of Funds	Performance Indicators	Expected Number	Actual Number	Outcome/Objective
Homeless Objectives					
Prevent increases in homelessness	ESG	<ul style="list-style-type: none"> No. of households that received emergency financial assistance to prevent homelessness 	190	220	DH-2
Support homeless families	ESG	<ul style="list-style-type: none"> No. of homeless families given overnight shelter. 	55	103	SL-1
Maintain the quality of shelter provided to homeless persons	ESG	<ul style="list-style-type: none"> Emergency Housing: No. of beds created in an overnight shelter or other emergency housing. 	TBD	N/A in '06	SL-1

In FY2006, all funds reported on are from the ESG 2004 award that was given to DHCD in a grant agreement dated January 13, 2005 which expires January 13, 2007. All 2004 ESG funds will be expended within the required 24 month spending period, which expires on January 13, 2007. Tables 6 and 7 shows the ESG expenditures and accomplishments for FY2006.



Table 7: ESG Program Expense, FY2006

ACTIVITY/SERVICE	PLANNED	ACTUAL	ESG EXPENSE
Homeless Prevention/Emergency Assistance Grants	190*	220	\$250,905
Shelter Operations	55	103	\$393,329
Administration Cost	NA	NA	\$5,500
Total	135	323	\$649,734.10**

*families/adults

**The Partnership has been reimbursed \$449,795 to date. The remaining \$199,939 reimbursement is being processed by DHCD.

A. Distribution of Funds by Goals

In FY2006, using 2004 ESG funds, the Community Partnership paid for the following activities as planned per its FY2006 spending plan:

1. Homeless Prevention/Emergency Assistance Grants for Families and Adults-

- Goal: Grants were to be made to 190 recipients through the Emergency Assistance Fund and neighborhood-based Family Support Collaboratives for a total amount of \$246,467.
- Actual: 157 families and 63 adults were assisted using \$250,905 in ESG 2004 funds.

Sponsor: Partnership

Funding Source: ESG

Budget Amount: \$ 246,467 (2005 ESG)

Total Expenditure: \$250,905 (2004 ESG)

Anticipated Outcome Measure: 190

Actual Outcome Measure: 157 families and 63 adults

2. Shelter Operations

- GOAL: Grants were to be made for the cost of rent at the Park Road Family Shelter (45 units), and rent at the Spring Road Family Shelter, for a total of \$534,010.
- Actual: A total of \$393,329 of ESG 2004 funds was paid in expenses for Shelter Operations which funded the rent for the 45-family shelter at, the Park Road, Family Shelter which served 103 families during the fiscal year.

Sponsor: Partnership

Funding Source: ESG

Budget Amount: \$543,630 (2005 ESG)

Total Expenditure: \$393,329 (2004 ESG)

Anticipated Outcome Measure: 55

Actual Outcome Measure: 103 families

3. Staff, Operating Costs and Administration

- GOAL: Funds in the amount of \$41,078 were included in the ESG 2004 recitals to cover a portion of administrative costs for the Community Partnership's staff involved in the ESG program and for fiscal monitoring of ESG-funded activities.



- Actual: The Community Partnership for the Prevention of Homelessness spent \$5,500.00 of the budgeted amount for administration.

Sponsor: Partnership

Funding Source: ESG

Budget Amount: \$41,078 (2005 ESG)

Total Expenditure: \$5,500 (2004 ESG)

Anticipated Outcome Measure: N/A

Actual Outcome Measure: N/A

The Partnership has not submitted to DHCD requests for reimbursement for all 2004 ESG funds expended. All outstanding requests for reimbursement will be submitted to DHCD prior to the January 13, 2007 spending deadline and drawn down in IDIS.

B. ESG Matching Funds

In addition to its federal ESG funds, the District provided local matched dollars to support outreach and prevention services; support shelter operations and fund renovation of shelter space. The District works to provide assistance for the homeless through community-based organizations, faith-based organizations and other non-profit service providers.

Table 8: Local ESG Match Expenditures for 2006

Prevention/Emergency Assistance Grants

NONPROFIT ORGANIZATION	FUNDING SOURCE	FUNDING LEVEL
Virginia Williams Family Resource Center (Family Central Intake) – operated by the Coalition for the Homeless	TANF block grant allocated by DHS, funding staff salaries	\$426,981.00
Total Prevention		\$426,981.00

Essential Services/Shelter Operations

SHELTER OPERATIONS	FUNDING SOURCE	FUNDING LEVEL
Park Road Family Shelter, 1448 Park Rd NW	TANF and local funding, DHS Appropriation funding program costs	\$680,733.98
Total Shelter Operations		\$680,733.98

C. Method of Distribution

In FY2006, DHCD worked directly through the Partnership for the Prevention of Homelessness and its sub-grantees to carry out the intent of the ESG program. The Partnership serves as the lead agency for the City's Continuum of Care program.

The Partnership utilizes three categories of procurement to establish or expand new services from District and federal funding sources.

1. Open Competition is the most frequently used method. The Partnership issues Requests for Proposals (RFPs) for desired services. The RFPs define in detail the services required. Draft RFPs are reviewed in a public conference prior to the issuance of a final RFP in order to



insure maximum understanding and participation by potential providers. The Partnership accepts competitive applications from any interested organization. Applications submitted in response to RFPs are evaluated and ranked, according to the ranking criteria outlined in the RFP, by panels of three to five persons consisting of Partnership Board members and outside reviewers who have been determined to have no personal or financial interest in the provision of services under the various programs to be funded. The review panel makes recommended selection of awardees to the Partnership's Executive Director who, in consultation with the Board, is responsible for determining which proposals shall be funded.

2. Limited Competition is used to competitively bid within a limited pool of qualified providers. The basic criteria for inclusion in such procurement include: long standing and unique experience, capacity to implement a special project for a limited period of time, and/or capacity to provide a unique and specialized service under extenuating circumstances.
3. Sole Source Contracts are used primarily for interim contracts for projects that may be subject to an open competition at a later date; collaborative agreements with substantively qualified agencies that can advance a particular initiative; or personal services and consultant contracts to achieve limited objectives.
4. HUD SuperNOFA McKinney-Vento Continuum of Care Funds: Annual submissions to HUD for Continuum of Care funding utilize the open competition method of procurement. The application considers both new permanent housing proposals and renewals of existing transitional housing, permanent supportive housing and supportive services only (employment, healthcare, childcare). Once HUD announces the SuperNOFA round, the Partnership issues a broadcast fax and email to more than 125 programs and city leaders announcing the availability of HUD funding. A letter of intent to apply is requested from all entities interested in submitting a new application. Several meetings are held to discuss the process and rank the proposals. The following objective criteria have been established for use by the SuperNOFA Project Priority Review Committee in ranking applications:
 - a. Performance on achieving past measurable objectives
 - b. Demonstrable and credible outcomes on Housing, Income, Occupancy and Self-Sufficiency measurable objectives
 - c. Leveraging of additional public and private resources
 - d. Cost effectiveness in terms of measurable outcomes per HUD dollar
 - e. Project readiness for new proposals
 - f. Access to mainstream services for clients

D. Activity and Beneficiary Data

The FY2006 Action Plan states that the District and Community Partnership will continue to seek McKinney-Vento Act "Continuum of Care" funds to maintain and build its system of care for homeless people. In FY2006, the Community Partnership received notice of awards in the amount of \$15.03 million from its FY2005 "Continuum of Care" application to HUD and in FY2006 submitted an application for \$17.2 million in McKinney-Vento funds, most of that for renewals.

**Table 9: Continuum of Care Project Priorities**

(1) Applicant	(2) Project Sponsor	(3) Project Name	(4) Numeric Priority	(5) **Requested Project Amount	(6) Term of Project	SHP	SHP	S+C
						new	renew	renew
The Community Partnership	Neighbor's Consejo	Samaritan	1	\$955,352	2	PH		
The Community Partnership	Covenant House	My Place	2	\$514,521	2	PH		
The Community Partnership	Latin American Youth Center/LTHP	Sin Barreras	3	\$376,625	2	PH		
The Community Partnership	HMIS Expansion Grant	HMIS Expansion Grant	4	\$75,000	1		HMIS	
House of Ruth	House of Ruth	Domestic Violence Services	5	\$321,806	1		TH	
House of Ruth	House of Ruth	Reunified Families	6	\$84,383	1		TH	
The Community Partnership	Latin American Youth Center	Latino Transitional Housing Partnership	7	580,428	1		TH	
The Community Partnership	House of Ruth	New Beginnings	8	134,835	1		TH	
The Community Partnership	Catholic Charities	Mulumba House	9	245,422	1		TH	
The Community Partnership	Transitional Housing Corporation	Partner Arms II	10	148,925	1		TH	
Families Forward	Families Forward	Families Forward 1 /Stable Families	11	229,046	1		TH	
Families Forward	Families Forward	Families Forward 3 /Stable Families	12	201,224	1		TH	
Transitional Housing Corporation	Transitional Housing Corporation	Partner Arms I	13	127,385	1		TH	
House of Ruth	House of Ruth	Unity Inn	14	114,586	1		TH	
Sasha Bruce Youthworks	Sasha Bruce Youthworks	Independent Living Program #1	15	67,628	1		TH	
Sasha Bruce Youthworks	Sasha Bruce Youthworks	Independent Living Program #2	16	129,593	1		TH	
Catholic Charities	Catholic Charities	St. Martin's House	17	168,641	1		TH	
So Others Might Eat	So Others Might Eat	Mickey Leland Place	18	101,333	1		TH	
The Community Partnership	Rachael's Women's Center	Rachael's Women's Center	19	165,819	1		PH	
The Community Partnership	New Hope Ministries	Safe Haven	20	232,880	1		SH-TH	
The Community Partnership	Catholic Charities	Tenant Empowerment Network	21	257,404	1		TH	
House of Ruth	House of Ruth	Madison	22	144,083	1		TH	
The Community Partnership	Community Connections	Girard St. – SA/MI	23	121,728	1		PH	
The Community Partnership	Coates and Lane	Supported Housing Program	24	346,324	1		PH	
The Community Partnership	Bright Beginnings	Daycare	25	175,219	1		SSO	
So Others Might Eat	So Others Might Eat	Women's Transitional Housing	26	513,940	1		TH	
The Community Partnership	The Community Partnership	Chronic Homeless Initiative	27	266,084	1		TH	
Hannah House	Hannah House	THEIRS Reunification	28	148,115	1		TH	
The Community Partnership	Community Family Life Services	Brandywine	29	196,569	1		TH	
The Community Partnership	Unity Health Care	Unity Health Care @ CCNV	30	190,522	1		SSO	
The Community Partnership	New Endeavors by Women	New Expectations	31	210,119	1		TH	
The Community Partnership	Miriam's House	Miriam's House	32	141,214	1		PH	
House of Ruth	House of Ruth	Kidspace 1	33	202,832	1		SSO	
The Community Partnership	House of Ruth	Kidspace 2	34	83,511	1		SSO	
House of Ruth	House of Ruth	Kidspace 3	35	204,916	1		SSO	
The Community Partnership	Catholic Charities	Mt. Carmel House	36	189,000	1		TH	
The Community Partnership	Access Housing	Chesapeake House	37	275,107.20	1		TH	
Sasha Bruce Youthworks	Sasha Bruce	Olaiya's Cradle	38	189,058	1		TH	



(1) Applicant	(2) Project Sponsor	(3) Project Name	(4) Numeric Priority	(5) **Requested Project Amount	(6) Term of Project	SHP	SHP	S+C
	Youthworks							
The Community Partnership	Neighbor's Consejo	Neighbor's Consejo THP 1	39	149,203	1		TH	
The Community Partnership	Gospel Rescue Ministries	Gospel Rescue Ministries	40	100,905	1		TH	
The Community Partnership	Calvary Women's Services	Calvary Women's Services	41	142,306	1		TH	
The Community Partnership	Community Family Life Services	Family Reunification	42	176,226	1		TH	
The Community Partnership	Coalition for the Homeless	Employment and Training	43	333,913	1		SSO	
Community Family Life Services	Community Family Life Services	Trinity Arms	44	140,205	1		TH	
Community Connections	Community Connections	Training Apartments	45	98,175	1		TH	
So Others Might Eat	So Others Might Eat	Exodus House	46	323,673	1		TH	
The Community Partnership	Green Door	Green Door	47	144,758	1		PH	
The Community Partnership	Jobs for Homeless People	JHP @ CCNV	48	141,957	1		SSO	
Coalition for the Homeless	Coalition for the Homeless	Spring Road	49	171,453	1		TH	
Community Connections	Community Connections	TLC	50	106,864	1		TH	
The Community Partnership	Community Connections	Suitland Rd-Trauma	51	109,725	1		PH	
The Community Partnership	Christ House	Kairos House	52	899,866	1		TH	
The Community Partnership	Woodley House	Holly House	53	86,003	1		PH	
The Community Partnership	Coalition for the Homeless	Blair House	54	204,748	1		TH	
The Community Partnership	Community Connections	G Street- HIV	55	132,300	1		PH	
Community Family Life Services	Community Family Life Services	Family Support Collaborative/ SAFAH	56	364,761	1		SSO	
The Community Partnership	Bethany, Inc	Good Hope House	57	78,342	1		TH	
The Community Partnership	DC Central Kitchen	Training and Employment Program	58	87,850	1		SSO	
Salvation Army	Salvation Army	Harbor Lights Treatment Center	59	475,935	1		TH	
Subtotal: Requested Amount for CoC Competitive Projects				\$13,300,345				
DC Office of Revenue Analysis	The Community Partnership	SRA1	60	1,950,396	1			SRA
DC Office of Revenue Analysis	The Community Partnership	TRA1	61	495,000	1			TRA
DC Office of Revenue Analysis	The Community Partnership	SRA2	62	693,360	1			SRA
DC Office of Revenue Analysis	The Community Partnership	TRA2	63	279,720	1			TRA
DC Department of Health/HIV/AIDS Administration	Community Connections	SRA	64	207,360	1			SRA
DC Department of Health/HIV/AIDS Administration	Community Connections	TRA	65	274,680	1			TRA
Subtotal: Requested Amount for S+C Renewal Projects				\$3,900,516				
TOTAL REQUESTED AMOUNT				\$17,200,861				

In addition, DHCD funds contributed to the following special needs housing programs for homeless families and disabled homeless adults (status of each noted in table).

**Table 10: Continuum of Care Special Needs Housing**

NAME	SPONSOR	ADDRESS	UNIT COUNT	FUNDING SOURCES	STATUS
Hope Apartments	Community of Hope	3715 2 nd Street, SE	13 units	HUD DHCD DCHFA Cornerstone	Completion expected in FY2006
Independence Place	SOME	2800 "N" Street, SE	21 units	DHCD DCHFA AHP	Open for business
Good Hope House	Bethany, Inc.	1715 "V" Street, SE	7 units	DHCD/HOME HUD/SHP	Open for business.
Rachel's Women's Center	Rachel's Women's Center	Dupont Circle, Florida Ave NE	17 units	HUD	Open for business.
Scattered Sites	Green Door	6411 Piney Branch Road, NW 3471-14 th St, NW, 2721 Pennsylvania Avenue, SE	8 units 4 units 6 units	DHCD HUD/SHP	Open for business.
Diane's House	Diane's House of Ministry		8 units	DHCD	Awaiting completion of DHCD underwriting.
A New Day Transitional Housing	Johenning Temple of Praise/Way of the Word		12 units	DGCD	DHCD Executed contract for rehab in Dec. 2004
Graceview Apartments	House of Help, City of Hope		38 Units		DHCD executed contract for rehab in Jan 05..
Agape Apartments	RIGHT, Inc.		11 units	DHCD HUD/SHP	Expected completion in FY2006
Totals			145 units		